

**Testimony Submitted to the Wisconsin Blue Ribbon Commission on School Funding
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Money matters in K-12 education. Though no amount of money or specific funding formula can guarantee a quality education, an effective funding formula can create the conditions in which quality is possible. And promoting educational quality should be the primary goal of Wisconsin's school funding system. Unfortunately, the state's current funding system is outdated. The current school aid formula was built to serve a system without open enrollment, without private school choice, without independent charter schools, and with very different expectations for accountability and transparency. So what can be done? What should be the attributes of a modern school funding system for Wisconsin?

Foremost, the system must provide adequate funding levels so that funding can facilitate, rather than be a barrier to, educational improvement. An adequate funding level is one that enables each and every Wisconsin school district to provide the facilities, personnel, and course offerings upon which a quality education is built. An adequate funding level enables districts to be proactive in planning, rather than being forced to annually plug budget deficits. An adequate funding level recognizes the fixed costs of school districts do not change when small numbers of students enter or leave the district. There is no magic number, and indeed what is adequate will differ across contexts, but it should nevertheless be the dominant value guiding funding reform.

An effective funding system must be equitable. Equity means student funding levels are not determined by the unique economic circumstance in the district in which a student resides. The current formula is built on equity, however the shifting of annual per-pupil increases to state categorical aids as opposed to revenue limit increases perverts the current formula's equity goal. Equity also means recognizing that expanding the meaning of public education in Wisconsin via school choice programs requires comparable per-pupil funding levels, and comparable regulatory and reporting requirements, for all students receiving a publicly funded education.

A reformed system must also be logical and singularly focused on funding K-12 education. The current system contains numerous illogical attributes. First, the use of 1994 as the base year for revenue limit increases assumes that district-level funding decisions made over 25 years ago should be a primary determinant of per-pupil funding levels today. Though scheduled increases to the minimal revenue limit per-pupil will no doubt make many district administrators happy, it is a Band-Aid that does not address the real problem. Further, the state funding formula has two conflicting purposes, funding education and providing tax relief. This value conflict obfuscates the true level of funding schools receive, poisons the public debate over proper school funding levels, and gives the public the perception that increases in school aids means increases in resources for students. Tax relief is an important issue, but it must be separated from education funding in any logical effective system.

Finally, an effective system must be understandable. The average Wisconsin citizen, and more than a few lawmakers and civic leaders, cannot decipher how our current funding system works. This is unacceptable. The state spends more on education than any other core service, and it is impossible for there to be true accountability, performance measurement, or even well-informed political debate regarding K-12 education funding when the formula driving resource allocation is not broadly understood.

There is no silver bullet, small reform, or gimmicky slogan that can make Wisconsin's education funding system work. But setting the clear goal of creating a system designed to promote educational quality tells us where we need to go. Agreeing on the core values of adequacy, equity, logic, and understandability will help us get there.

Thank for listening and good luck moving forward.

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